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FISCAL IMPACT STATEMENT

LS 6284

BILL NUMBER: SB 229

NOTE PREPARED: Dec 2, 2009

BILL AMENDED:

SUBJECT: Gaming Regulations.

FIRST AUTHOR: Sen. Waltz

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill prohibits the installation of automated teller machines (ATM) on riverboats and in racetrack slot machine facilities. It requires patrons of a riverboat or slot machine facility who wish to obtain or access a line of credit to submit to a breath test under certain circumstances. It restricts a patron's access to credit if the patron's breath test shows an alcohol concentration equivalent to more than 0.08 gram of alcohol per 210 liters of the patron's breath. It also requires the installation of digital clocks on the interior floors of riverboats and racetrack slot machine facilities.

Effective Date: July 1, 2010.

Explanation of State Expenditures: *Summary:* The provisions of the bill will result in additional administrative responsibilities for the Indiana Gaming Commission (IGC). The fiscal impact that might arise from these new responsibilities is indeterminable. However, any additional expenses would be paid from riverboat wagering tax revenue annually appropriated to the IGC for administrative purposes. (Note: Current statute provides that sufficient funds are annually appropriated to the IGC from riverboat wagering tax revenue deposited in the State Gaming Fund to administer the riverboat gambling laws.) In FY 2009, this distribution totaled about \$2.3 M. The 2009-2011 biennial budget bill appropriates \$3.5 M annually in FY 2010 and FY 2011 from the State Gaming Fund to the IGC for administrative purposes.

Background Information: The provisions of the bill are as follows:

(1) The bill prohibits a riverboat casino owner or operating agent or a racino owner from installing an ATM in a riverboat casino or racino.

(2) The bill prohibits a riverboat owner or operating agent or a racino owner from extending (a) a line of credit exceeding \$1,000 to a patron or (b) a line of credit that causes the aggregate amount of credit obtained by the patron over the preceding 24 hours to exceed \$1,000, if the patron registers an alcohol concentration exceeding 0.08 grams of alcohol per 210 liters of the patron's breath. The bill requires each owner or operating agent to provide an alcohol breath testing device approved by the IGC and operated by a person certified in the use of the device. The bill also requires a patron seeking a line of credit meeting the thresholds described above to submit to the breath test.

(3) The bill requires a riverboat casino owner or operating agent or a racino owner to install on each interior floor of the riverboat casino or racino, a digital clock approved by the IGC and placed in a prominent location. The clock must be at least equal in size to a digital clock attached to the exterior of the facility prior to July 1, 2010. If the facility did not have an exterior clock before July 1, 2010, the IGC is authorized to approve clocks that are at least equal in size to any digital clock attached to the exterior of another riverboat casino before July 1, 2010; or, in the case of a racino, any digital clock approved for a riverboat casino.

Explanation of State Revenues: *Summary:* The ATM ban at riverboat casinos and racinos could potentially reduce wagering by some patrons by stemming ready access to cash in the casino or racino facilities. Any reduction in wagering by casino or racino patrons would affect revenue to the state General Fund from the riverboat wagering tax and the state slot machine wagering tax. The extent of the potential reduction in revenue from these taxes is unknown.

Background Information: The riverboat wagering tax and state slot machine wagering tax are imposed on the adjusted gross receipts (total wagers minus winnings paid out to gamblers) generated from gaming at the riverboat casinos and racinos. The Revenue Technical Committee forecast (May 27, 2009) projects that the state General Fund will receive \$554.0 M from the riverboat wagering tax and \$106.7 M from the state slot machine wagering tax in FY 2011.

Explanation of Local Expenditures:

Explanation of Local Revenues: The ATM prohibition at the riverboat casinos and racinos could reduce riverboat wagering tax and slot machine wagering tax revenue from these facilities by an indeterminable amount.

A reduction in wagering at the French Lick casino would reduce local distributions of riverboat wagering tax revenue from the casino. Reductions in wagering at the other riverboat casinos also could reduce local distributions of riverboat wagering tax revenue, with the magnitude depending on the wagering reductions at each casino since local units receiving wagering tax revenue from these casinos are subject to annual distribution limits. A reduction in wagering at the racinos would reduce revenue from the county slot machine wagering tax distributed to local units in Madison County and Shelby County and from the supplemental slot machine wagering tax which is paid to the French Lick Casino.

State Agencies Affected: IGC.

Local Agencies Affected: Local units receiving wagering tax revenue from riverboat casinos and racinos.

Information Sources:

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